Losses caused to Indian Airlines, Air India and Vayudoot

1900. SHRI CHIMANBHAI MEHTA:
SHRI SARADA MOHANTY:
SHRI ANANTRAY DEVSHANKER DAVE:
SHRIMATI MIRA DAS:

Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) what are the reasons for mounting losses in Indian Airlines, Air India, Vayudoot during last three years;

(b) whether it is a fact that inadequate or lack of spares is a perrenial problem, if so, what are the remedial measures;

(c) what is the international norm of employees per aircraft and what is the ratio obtained in India;

(d) whether it is three times more than international norms;

(e) what is the total number of aircraft of various categories; and

(f) which are the loss incurring routes and which are profit making routes?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI MADHAVRAO SCINDIA): (a) During the last three years, only Indian Airlines and Vayudoot have incured losses. The reasons are indicated below:—

I. Indian Airlines:

(i) Grounding of Airbus 320 aircraft;

(ii) Curtailment of operations during January, 1991 for conservation of fuel;

(iii) Downward adjustment of Indian rupee vis-a-vis major international currencies in July, 1991 and consequent increase in Aviation Turbine Fuel prices;

(iv) Increase in insurance premium rate and landing and route navigation charges;

(v) Additional burden on account of purchase of foreign exchange at market rate consequent to changes introduced in the Finance Act, 1992, etc.

II. Vayudoot:

(i) Uneconomic aircraft;

(ii) Uneconomic short-haul operations;

(iii) Low fare structure;

(iv) Excess manpower.

(b) No, Sir. However, Indian Airlines and Vayudoot, shortages are experienced from time to time. Procurement of spares and components is attended to on priority basis and whenever necessary, manufacturers and vendors are contacted to ensure timely supplies.

(c) and (d) At present, the average number of employees per aircraft is 401 in the case of Indian Airlines and 726 in Air India. There is a wide variation in the nature of activities and sub-contract practices followed by different airlines in the world. It is, therefore, difficult to make an objective comparison of number of employees per aircraft. The comparative figures for Vayudoot are not available.

(e) The number of aircrafts with the three airlines is given below:—

Air India :

B—747-2	
B—747 3C	2
A—310-300	8
A—300 B4	3

Indian Airlines :

A—300-B2/B4	11	
B—747	23	52
A—320	18	

Vayudoot :

HS—748	8	17
Dornier-228	8	
F—27	1	

(on lease from Indian Airlines).

(f) Out of the 15 routes operated by Air India, there has been a loss only on two freighter routes, one of which has been discontinued from 28th March, 1992. In May, 1992, out of 134 services operated by Indian Airlines, only 22 services did not meet the cash cost of operation; the other 112 services earned surplus over cash costs.

All routes operated by Vayudoot are incurring losses.

Transactions undertaken by STC

1901. SHRI P. UPENDRA: Will the Minister of COMMERCE be pleased to state:

(a) whether the operations of the State Trading Corporation have come down drastically following the decanalisation and other trade reforms;

(b) if so, what action has been taken by Government to reduce the overheads of the State Trading Corporation commensurate with its present activities; and

(c) what are the details of the transactions now undertaken by the State Trading Corporation?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED): (a) Total turnover of STC during 1991-92 is Rs. 1315 crores compared to Rs. 1756 crores during 1990-91, the decline being mainly due to drop in canalised imports.

(b) In the context of reduced turnover due to decanalisation, STC has taken following measures for reducing its overheads:—

—Redeployment of surplus manpower to utilise them in the new areas of business.

—Retirement of 353 employees under VRS.

—Closure of a few foreign offices during the last two years.

—Other economy measures such as reduction in staff cars, surrender of telephone lines and office space.

(c) Consequent upon decanalisation of certain import and export items, STC has reformulated its corporate objectives with a view to becoming international trading house functioning in a competitive environment principally based on non-canalised trade with the thrust aiming at the following:—

Achieving a progressive growth of non-canalised exports.

—CT against government purchases.

—Import & distribution of canalised items like edible oils, fatty acids as per the Govt. formulaed policy.

—Purchase and sale of imported cars as per the Government policy.

—Handling of rubber operations on Govt. account and its release in the domestic market|export under Market Intervention operations.

Setting up of free port in Goa

1902. SHRI V. NARAYANASAMY: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have come across a mixed reaction for setting up of free port in Goa; and

(b) by when Government propose to set up free port in Goa as announced earlier?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SALMAN KHURSHEED): (a) and (b) The Report submitted by the Free Port Advisory Committee in March, 1992 was circulated for eliciting views on the recommendations